Department of Indian Affairs and Northern Development
Corporate Services
Departmental Audit and Evaluation Branch

Project Directed by:

Terry Hunt, Senior Evaluation Manager

Assisted by:

Phil Digby, Evaluation Officer

In Partnership with:

Review Practices and Studies Division,
Treasury Board of Canada Secretariat

Implementation Status Report of the Procurement Strategy for Aboriginal Business

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Executive Summary

Started in April 1996, the Procurement Strategy for Aboriginal Business (PSAB) is a federal government initiative which is applicable to all federal departments and agencies. The Strategy is intended to stimulate Aboriginal business development and to increase the number of Aboriginal firms competing for and winning federal contracts.

The Strategy requires that an evaluation study be conducted by the year 2001 and an evaluation framework be prepared to help plan for it. Accompanying the framework is this status report which provides an overview of the progress achieved during the first two years of the PSAB's implementation and preliminary data against which to measure future performance.

Data collection activities included key informant interviews, file and systems review, a literature review, and surveys with government representatives and Aboriginal businesses.

Main findings

Progress is being made on implementing the PSAB's main activities, especially since the introduction of departmental performance objectives in January 1997

Progress is being made on the implementation of the Strategy.

- As of April 1998, 39 departments have made commitments to procure an estimated value of $130M to $175M from 1997 through 1999.
- Supplier development varies across departments but in most cases includes use of existing activities to promote Aboriginal suppliers and educating staff about the PSAB.
- Performance objectives agreements indicate that most departments rely on DIAND's Aboriginal Supplier Inventory (ASI) as a supplier inventory.

Presently, reporting focuses on contract activity

- Monitoring of contracting activity is improving. Treasury Board and Public Works and Government Services through the Datacap (procurement reporting) system collect information on Aboriginal set-asides and incidental contracts (regular process) awarded to Aboriginal businesses.

- Information to assess the attainment of performance objectives targets is being collected.

Departmental Performance Objectives Coordinators perceive that PSAB has had positive initial results

- Departmental Performance Objectives Coordinators noted that PSAB has resulted in increased contracts awarded to Aboriginal businesses, with neutral impacts on their price.
- PSAB is encouraging increased cooperation and joint ventures between Aboriginal and non Aboriginal businesses.
- Respondents noted that the certification process is important to ensure that bona-fide Aboriginal businesses benefit.

Respondents highlight the importance of Aboriginal business capacity development

- All parties stressed the importance of Aboriginal business capacity development in order to increase the ability of Aboriginal firms to meet federal contracting requirements.
- Little evidence was found in terms of dislocation of non-Aboriginal businesses, however this is an area recommended to be monitored.

Respondents anticipate the PSAB will have positive results

- Aboriginal organizations and businesses noted few initial impacts and have high expectations for the program. The anticipated benefits include:

Table 1: Anticipated PSAB Results and Examples of Procurement

Anticipated impacts for Aboriginal businesses	Examples of Aboriginal procurement
• increase in number and value of contracts awarded • more joint ventures and partnerships • transfer of skills and experience leading to contract opportunities in new areas.	• HC Non-Insured Health Benefits claims processing • DFO purchase of vessels • PWGSC national standing offer for microcomputers • DIAND supply arrangement for evaluation and review services

Measuring performance

The evaluation framework prepared as part of this project outlines a strategy for assessing direct and indirect impacts of the Strategy.

Respondents demonstrated a high level of interest in the Strategy's outcomes and successes. Among the findings include:

- Procurement management is a complex, decentralized activity leading to challenges in performance reporting.

Collecting ongoing performance based information on socio-economic impacts was identified as a best practice.

- Being able to provide results based socio-economic impacts on Aboriginal businesses and communities (such as jobs created) was identified by respondents as a best practice.

Our approach for measuring the Strategy's results builds on existing ongoing indicators and one time data collection when the evaluation is conducted (Refer to Table 2).

Table 2: Proposed data collection for the future evaluation of the Procurement Strategy for Aboriginal Business

Components to review	Data elements	Ongoing	Evaluation
Contracting activities	• number of set-asides posted and awarded	✔	
	• value of set-asides	✔	
	• number of incidental contracts	✔	
	• value of incidental contracts	✔	
Complementary measures, Aboriginal supplier inventory, and development activities	• number of suppliers registered	✔	
	• number of suppliers providing goods and services to government	✔	
	• types of goods and services supplied		✔
	• number of trade shows	✔	
	• amount of promotional material distributed	✔	
	• number of training and workshop seminars	✔	
Aboriginal Business Capacity Development	• activities that Aboriginal businesses are undertaking to position themselves to gain better access to federal and other markets		✔
Partnership activities	• number of partnerships formed		✔
	• number of joint ventures		✔
	• impact of subcontracting opportunities		✔
Socioeconomic impacts	• direct impacts (e.g., enhanced capacity of firms through skills transfer)	✖	✔
	• indirect impacts (e.g., increase in sustainable employment)	✖	✔
	• pursuit of other market opportunities		✔

Note: (✖)These data elements are recommended, in addition to those proposed above.

There are many time and cost constraints expressed about collecting socioeconomic impact data; therefore, the evaluation will probably rely on a review of a sample of contracts (case studies) to provide an overview of selected impacts outlined in further detail in Section 5 and the Evaluation Framework for the Procurement Strategy for Aboriginal Business (separate document).

Lessons learned and suggested improvements

Expanding knowledge of the PSAB's wide assortment of tools and effective communication to contracting officers

- Departments are adopting innovative delivery methods such as bid matching, promotion of joint ventures). Other tools besides the set-asides exist for departments to promote Aboriginal businesses. Departments need to understand that the PSAB is comprised of many components, such as supplier development (e.g., workshops or trade shows), encouraging partnerships or joint ventures, and streamlined contracting security measures.

- In-person communication activities are most effective (e.g. business fairs and DIAND's train the trainer sessions). Training and communication for departmental RCMs and contracting officers are important.

- Supplier development activities were noted as important to successful implementation of the Strategy (e.g., developing awareness and level of skills among Aboriginal businesses). Most Aboriginal businesses surveyed reported that they were unaware of potential opportunities in the federal market. They suggested Aboriginal suppliers need help in the following areas: proposal writing, technical advice to understand the electronic tendering system and government procurement practices, and knowledge of potential upcoming opportunities.

Conclusions and recommendations

Several steps need to be taken to prepare for the evaluation study

The next steps are to review the evaluation framework and to develop a strategic direction for collecting socioeconomic impact data to be ready for the evaluation in the year 2001. In preparation for the evaluation study, we recommend the following steps.

Recommendations

DIAND and PWGSC should continue to assist departments to recognize the importance of supplier development activities and encourage them to use the assortment of PSAB tools in addition to set-asides.

DIAND enhance the supplier inventory database to provide more information on Aboriginal businesses.

DIAND and TBS, the lead departments responsible for the evaluation, should ensure ongoing performance indicators are collected in a systematic, efficient, and uniform manner.

An interdepartmental working group should oversee the implementation of the evaluation framework created as part of this project.

Section 1 - Introduction

Procurement is believed to be a cost-effective method of promoting Aboriginal businesses

Government procurement is known to be a significant factor in the structure of national and local economies. The Government of Canada places priority on the principles of value for money, prudence, and probity when procuring goods and services. Within Canada and other jurisdictions, various national, regional, and municipal governments have developed programs to enhance business development by providing equitable access to government procurement opportunities.

Consultant reports commissioned by the Department of Indian Affairs and Northern Development (DIAND) in the early 1990s found that federal procurement with Aboriginal businesses was less than the potential capacity in certain sectors (e.g., construction, transportation). In 1993, "Creating Opportunities" (the Liberal "Redbook") called for the adoption of procurement practices that would stimulate Aboriginal business growth. The report of the Royal Commission on Aboriginal peoples also supported changes to procurement practices as a means of strengthening the Aboriginal economic sector. Following consultations with businesses across Canada, the federal government initiated the Procurement Strategy for Aboriginal Business (PSAB).

Purpose of the report

PSAB began in April 1996

In April 1996, the federal government launched the Procurement Strategy for Aboriginal Business (PSAB). The primary objectives of the Strategy are to stimulate Aboriginal business development and to increase the number of Aboriginal firms competing for and winning federal contracts. Beginning April 1, 1996, the Strategy is to be phased in over three years.

PSAB contains an evaluation clause

The Strategy contains an evaluation clause and requires an evaluation to be conducted by March 2001. By means of a competitive contract set aside for Aboriginal businesses under PSAB, Progressive Planning Limited, working in partnership with Prairie Research Associates Inc., was hired to develop a plan for the future evaluation and an Implementation Status Report.

The Implementation Status Report supports the future evaluation in the year 2001 by providing baseline data against which to assess the eventual outcomes of the Strategy. It also offers preliminary information on the implementation of the Strategy to departments, program stakeholders, and beneficiaries.

We caution that the information in this status report reflects very early stages of experience with the Strategy, as most data collection occurred in autumn, 1997. Therefore, conclusions about the impact or effectiveness of the program would be premature and speculative. At the same time, it is clear that participating departments are increasing their activities in support of this complex Strategy after an initial familiarization period.

A companion piece to this report, published under separate cover, is the evaluation framework which provides a plan to conduct the PSAB evaluation and performance measurement framework to monitor ongoing results. Terms of reference for this study are attached to this report (Annex 1).

Study approach

The project was directed by a Senior Evaluation Manager of the Departmental Audit and Evaluation Branch of the Department of Indian Affairs and Northern Development, in consultation with the Review Practices and Studies Division (RPSD), Deputy Comptroller General Branch of Treasury Secretariat. A Working Group consisting of representatives from five departments and three Aboriginal organizations was established to provide advice and guide the study.

Data collection was conducted between October and December of 1997. Table 1 (next page) provides an overview of the methodologies used.

Structure of the report

The report consists of four main sections. Section 1 outlines the purpose of the study and the approach used. Section 2 briefly describes the PSAB. Section 3 provides an update of the progress of the implementation of the PSAB as of the fall of 1997.

Section 4 discusses performance measures. Section 5 reports the observed impacts of PSAB in the initial period. Section 6 presents lessons learned and suggested improvements. And section 7 provides concluding remarks.

Table 1: Our study approach

Methodology	Description	Refer to ...
Key informant interviews	We conducted 44 interviews with 57 key informants: • procurement officials (n=15) • users of procurement (n=6) • program evaluation officials (n=5) • Aboriginal business leaders (n=5) • Aboriginal economic development officers (n=3) • Aboriginal community leaders (n=5) • non-Aboriginal businesses and associations (n=5)	Appendix C
File review	We reviewed documentation from 6 departments/agencies (TBS, DIAND, DND, HC, DFO, PWGSC), departmental performance objectives agreements (n=39), and some documentation on departmental databases.	Section 3 of this report, Appendix B
Literature review	We examined consultants reports on the PSAB, Internet information, and documentation from other jurisdictions (e.g., the United States, Australia, South Africa, and Canadian provinces and municipalities).	Appendix A
Written questionnaires	We sent over 200 questionnaires to 3 respondent groups. We obtained high response rates from government respondents. Aboriginal businesses were more difficult to contact. The targeted sample of businesses was 45. We augmented the sample and mailed out 140 questionnaires which were followed up with fax reminders and telephone calls. Reasons for the difficulties are important to note. Contact names and addresses had changed. In addition, many businesses listed on the Aboriginal Supplier Inventory (from which we randomly selected 100 respondents *and 31 responded*) do not deal with the federal government. The latter reason is why we also augmented the sample with 40 companies (*8 responded*) that had participated in DIAND consultations on procurement in 1994-1995.	Appendix C

Category	Targeted Sample	Number of Responses	Response Rates
performance objectives coordinators	43	40	95%
users of government procurement	43	35	83%
Aboriginal businesses (augmented sample)	4595	39	86% 28%
Total (augmented sample)	131226	114	87% 50%

Socio-economic impact framework	The framework builds upon the literature review and key informant interviews to identify potential approaches to measuring future socioeconomic impacts of the PSAB.	Appendix D

Section 2 -
Profile of the Procurement Strategy for Aboriginal Business

Summary

- PSAB has several components including the Aboriginal Set-Aside Program, departmental performance guidelines and complementary measures (e.g., policy changes).
- The main bodies to coordinate strategy implementation are DIAND, TBS, PWGSC, while implementation is the responsibility of all departments and agencies.

This section provides an overview of the PSAB's components.

Overview of federal contracting

PSAB works within the context of a complex federal contracting system

The federal government is an immense market with approximately $9B annually spent on goods, services and construction. A portion of this is procured from small and medium-sized enterprises, including Aboriginal businesses. Federal contracting is complex. The Auditor General[1] estimates that:

- there are 6 million separate purchases affecting thousands of responsibility center managers and suppliers;
- 93 departments and 2000 procurement experts are involved; and
- constraints to federal contracting include legal obligations, administrative reform, and market considerations.

This complex environment makes the implementation of the PSAB and reporting challenging.

[1]Report of the Auditor General of Canada, October 1997.

Strategy objectives

The main objectives of the PSAB are to

- stimulate Aboriginal business development
- increase the number of Aboriginal firms competing for and winning federal contracts.

It is also believed that increasing the number of Aboriginal firms winning federal contracts will provide a cost-effective means to create jobs. It is also anticipated that the PSAB will have a positive impact on reducing social expenditures in Aboriginal communities.

PSAB activities

The PSAB policy requires departments to make efforts to increase contracting dollars awarded to Aboriginal businesses by providing them with more opportunity to compete for existing contract funds. It has been estimated that the cost to all departments to implement the PSAB is $6.35M over five years (1995-1996 and 1999-2000) for training, marketing, and database development in support of this initiative.

The PSAB promotes its general objectives through three primary activities:

- the creation of measures for contracts to be set-aside for competition by Aboriginal businesses;
- the development of performance objectives to increase the total value of Aboriginal procurement;
- the development of complementary measures to facilitate access by Aboriginal businesses to federal procurement opportunities (e.g., supplier information, policy changes).

Table 2 provides an overview of the Strategy's key components.

Table 2: Key components of the PSAB	
PHASE I (April 1, 1996)	**PHASE II (January 1, 1997)**
Set-asides set-aside measures enabling government departments to set-aside contracts from trade agreements and the contracting policy for competition exclusively for Aboriginal businesses **Subcontracting** provision for subcontracting with Aboriginal firms when the primary requirement is outside of NAFTA and WTO-AGP **Contracting/Procurement Review** changes to contracting and procurement policies to support PSAB initiatives	**Performance Objectives** departments with an annual contracting budget in excess of $1M shall develop multi-year performance objectives for contracting with Aboriginal businesses **Information/Promotion** information materials and sessions to familiarize Aboriginal businesses and contracting officers with federal contracting opportunities and procedures **Supplier development** supplier promotion and marketing activities to publicize Aboriginal business capabilities **Supplier Inventory** support for a national database **Complementary measures** policy notices, use of securities, letters of credit, and measures to deal with bonding issues

The Aboriginal set-aside program is the best known component. The program provides Aboriginal suppliers first opportunity to compete for contracts destined for Aboriginal populations or other contracts that federal departments may set-aside. Table 3 describes the program's main elements.

Table 3: Set-aside Program for Aboriginal Business	
Two types of set-asides	**Eligibility**
Mandatory • procurement over $5,000 which is targeted to predominantly Aboriginal populations (i.e., population served is 80% or more Aboriginal) Voluntary • other procurement designated by client departments as reserved for Aboriginal businesses	Aboriginal businesses and joint ventures that satisfy ownership employment requirements • 51% Aboriginal owned and controlled • when a firm has a 6 or more full-time labour force, it must have 33% Aboriginal employees • joint ventures with non-Aboriginal businesses must be 51% Aboriginal owned and controlled and a minimum of 33% of the value of the work must be performed by the Aboriginal partner.

Set-asides are similar to regular contracts in that they include tendering and bidding on contracts. However, there are three additional steps to the Aboriginal procurement process:

- Certification is required to verify Aboriginal control of a firm, joint venture or partnership, upon submitting a bid and through the life of a contract;

- DIAND may request Consulting and Audit Canada (CAC) to conduct a pre- or post-audit of the certification. A pre-audit takes place before a contract is awarded. A post-audit confirms the status of an Aboriginal business or venture during the life of the contract; and

- Departments are to notify DIAND of set-aside contracts to be tendered.

Description of main stakeholder organizations

Several key organizations are involved in implementing the Strategy. DIAND is the lead department, while Treasury Board is responsible for policy administration and PWGSC for contract reporting. Table 4 (next page) describes the roles and responsibilities of PSAB stakeholders.

Table 4: Roles and responsibilities of government organizations	
Department/Agency	**Roles and responsibilities**
Department of Indian Affairs and Northern Development	• negotiate and conclude departmental multi-year performance objectives (in consultation with TBS) • evaluation activities • compliance activities • information and advice to departments • training sessions • information sessions to RCMs • advocate for Aboriginal businesses, including through Procurement Review Committee (PRC) • developing supplier information inventory and assistance tools • manage set-aside audit process with CAC
Treasury Board Secretariat	• contracting policy to federal contracting authorities • liaises with the Treasury Board Advisory Committee on Contracts (TBACC) • develops, revises and interprets the government's review of administrative obstacles to Aboriginal businesses • evaluation activities
Public Works and Government Services Canada	• acquire and organize supply of goods and some services for client departments/agencies • develop tools for officials and suppliers • contract reporting to TBS on behalf of all departments • procurement officers assist departments to meet their performance objectives (e.g., set-asides) • information to suppliers to promote federal contracting opportunities • promote suppliers to departments/agencies
Regional development agencies (WED, CED, ACOA)	• advocate for regional business/industry • promote regional industrial benefits • represented on the PRC
Departments/agencies	• responsibility center managers identify contracting opportunities for Aboriginal businesses (e.g., set-asides, regular contracts) • develop performance objectives • contribute to supplier development and supplier promotion activities • distribute information on Aboriginal suppliers

DIAND provides departments with advice and direction

Since April 1996, DIAND has been active in the following areas:

- negotiating performance objectives agreements;
- launching bid matching pilot projects;
- contacting Aboriginal businesses and communities;
- national workshops to train departmental PSAB performance objectives coordinators on Strategy promotion;
- providing information on PSAB (e.g., publishing and disseminating over 20,000 pamphlets);
- providing advice to Aboriginal businesses on federal contracting opportunities;
- over 500 information sessions and workshops across the country for government and business stakeholders;
- supporting trade shows by Aboriginal conference organizers;
- negotiation of performance objectives agreements with departments;
- monitoring of set-asides, and requests for certification audits by CAC;
- supplier development activities, including planning for development of a manual explaining federal contracting processes, commodity fact sheets and for a 1-800 telephone number to improve access to information on the Aboriginal supplier inventory and the procurement strategy for Aboriginal business;
- initiation and updating of the Aboriginal supplier inventory; and
- advocating opportunities for Aboriginal businesses through the Procurement Review Committee.

Key informants from other departments commented that the DIAND team were knowledgeable about contracting and were a source of advice and direction.

PSAB coordinators in each DIAND regional office have undertaken communications and promotion of the Strategy with Aboriginal businesses, government departments, and non-Aboriginal businesses in their regions.

PRC is an important mechanism for the PSAB

The Procurement Review Committee (PRC) is an interdepartmental group that reviews all federal contracts between $2M and $100M. Representatives on the PRC include TBS, PWGSC, regional agencies, and departments. Respondents estimate that the PRC handles a few hundred contracts a year. The Committee promotes a three-tier industrial benefits Strategy that promotes:

- national/client needs;
- regional development objectives; and
- other objectives (e.g., Aboriginal benefits).

Respondents stated that DIAND has been increasingly successful in advocating for Aboriginal businesses and elevated Aboriginal economic development to the second tier equivalent to industrial and regional development objectives.

Third Party Promoters of Aboriginal Firms advocate native firms

Other organizations involved in implementing the PSAB include third party promoters of aboriginal firms. They are increasingly becoming involved in seminars and workshops with departments businesses.

Contracts Canada assists buyers and suppliers

Contracts Canada, led by PWGSC, promotes supplier and buyer awareness. The unit provides services, such as a registry for small businesses, and seminars in writing effective proposals. Services are offered through PWGSC's regional offices across Canada.

Brief profile of Aboriginal businesses participating in the PSAB

The Aboriginal Supplier Inventory (ASI)

We reviewed data extracted from the Aboriginal Supplier Inventory[2] (ASI) in September 1997 and found:

- most businesses are involved in business services, local government services, transportation, trade contracting, and accommodation services;
- at the time of the review, many organizations listed on the ASI were community economic development organizations and non-profit organizations. ASI entries are to be verified and updated periodically; and
- we estimate that a total 2700 businesses were listed in the inventory at the time of the review.

Since 1997, the ASI has been modified to include Goods and Services Identification Numbers (GSINs) in order to make the system compatible with the PWGSC database. In addition, there are now over 3,000 firms listed on the ASI.

Aboriginal businesses surveyed

The methodology for the evaluation framework included development of a sample cohort of 39 Aboriginal firms that can be traced from the information provided in 1997 to be repeated at the time of the evaluation in 2000-2001. The cohort sample has the following characteristics:

- the 39 firms are in a wide variety of sectors, with 41% having annual sales between $100,000-$500,000;

[2]The inventory list Aboriginal businesses in Canada by Standard Industrial Codes (SICs).

- two-thirds were aware of the Strategy, mostly from government information sessions, government representatives and brochures. Half of the firms identified some government efforts to facilitate their access to federal procurement; and

- 18 firms (46% of the sample) had provided goods or services to a total of 13 federal government departments and agencies in past years.

Impacts on Aboriginal businesses in the first year of the strategy are provided in Section 5.

Other factors influencing PSAB

As noted in Section 2.1 (page 4), contracting is a complex process with many factors that influence how the PSAB is implemented and results measured.

PSAB complies with current trade agreements

- Aboriginal set-asides are not subject to national and international trade agreements such as the North American Free Trade Agreement (NAFTA), the World Trade Organization Agreement on Government Procurement (WTO-AGP), and the Agreement on Internal Trade (AIT). When a set-aside is tendered, and there is no response from Aboriginal businesses, it is re-tendered but not as a set-aside procurement. This second tender is subject to the requirements of the trade agreements, if applicable.

Subcontracting is encouraged but limited by NAFTA

- PSAB provides for subcontracting of Aboriginal businesses for contracts below the threshold of national and international trade agreements. Bidders are encouraged to subcontract to Aboriginal firms through incentives such as additional evaluation points. However, subcontracting is not permitted for procurement subject to NAFTA and the WTO (e.g., value of $72,600 or more, as amended periodically). Subcontracting is an approach that can be used for contracts over $2M reviewed by PRC, that are not subject to the requirements of trade agreements.

Comprehensive land claim agreements supercede PSAB and trade agreements

- A number of Comprehensive Land Claims Agreements (CLCA) contain specific contracting obligations to provide economic development opportunities to claimant groups and are protected under Section 35 of the Constitution. These agreements can constitute the basis for invoking scheduled exemptions under NAFTA, WTO-AGP, and AIT. For example, where bona fide set-asides have been established in land claim areas, contracting officials must comply with notification procedures (e.g., advertise in certain newspapers) even if they are inconsistent with the non-discriminatory provisions of AIT or PSAB.

TBS is working to simplify contracting requirements

- Minimizing risk and liability is important to the Crown, therefore, various security requirements are part of contracts. It is difficult for Aboriginal businesses, especially on-reserve, to get bid and/or contract performance security obtained from financial institutions. TBS has undertaken revisions to government policy on measures such as letters of credit, to provide a choice of security instruments to contractors. The amount of bid or contract performance security is determined by line contracting authorities and is based on project requirements. TBS respondents indicate that they are trying to overcome contractual resistance and liberalize the business environment by getting departments to assess legitimate security requirements. Furthermore, DIAND is working with the Aboriginal financial community to explore options to establish an Aboriginal bid bonding facility.

While exempt from PSAB, Crown corporations are encouraged to participate

- While recognizing that federal Crown corporations are not subject to federal contracting policies, TBS has a role to encourage Crown corporations to voluntarily undertake Aboriginal procurement development strategies. TBS has sent letters to, and held meetings with, Crown corporations to encourage their participation. Two large Crown corporations contacted as part of this study indicated that they have not made changes to their procurement practices as a direct result of PSAB, however, they do purchase goods and services from Aboriginal businesses consistent with the requirement of value for money. One respondent reported receiving brochures and participating in a seminar on Aboriginal procurement.

PSAB contains an exemption clause for situations where current contractors may be negatively impacted

- The PSAB policy contains an exemption clause stating that where a restriction to use Aboriginal businesses would cause severe economic dislocation, departments and agencies may request that Treasury Board exclude specific contracts or classes of contracts from the mandatory requirements of the policy. For example, in northern Manitoba, small airline businesses wanted Health Canada to invoke the clause due to negative impacts on their industry. However, we learned that a mechanism to apply or enforce the clause appears not to have been widely communicated to departments and agencies.

Section 3 - Implementation of the Strategy during the first two years

Summary

- Initiated in April 1996, PSAB implementation mechanisms were put in place over the following two years.
- Beginning January 1997, 43 departments were required to have negotiated Aboriginal procurement performance objectives targets with DIAND. As of April, 1998, 39 departments have made commitments to procure an estimated value of $153M from 1997 through 1999.
- Supplier development activities vary across departments as does reporting.
- Information is being collected to assess the attainment of performance objectives targets.
- Increased emphasis is needed on gathering data on indirect socioeconomic impacts of the Strategy. This would enhance the ability to report on the Strategy's effectiveness and support accountability requirements.

This section provides a progress report on departmental implementation of the PSAB.

Update on government-wide implementation of PSAB

Performance objectives

Departments with an annual contract budget over $1M are required to develop multi-year performance objectives in the following areas:

- number of contract awards to Aboriginal businesses;
- dollar value of contract awards to Aboriginal businesses;
- representation of Aboriginal businesses in supplier development activities; and
- representation of Aboriginal supplier inventories.

39 performance objectives agreements were reached during the year

As of October 1997[3], DIAND had reached agreements with 39 of 43 departments. Table 5 provides a preliminary review of departmental commitments for calendar years 1997, 1998, and 1999. As many departments are still establishing a baseline and updating status reports to DIAND, this information is subject to revision. However, the table offers a useful starting position from which to verify and update performance objectives targets.

[3]DIAND program managers confirmed that as of April 1998, this figure has not changed.

Table 5: Reported PSAB Performance objectives for federal departments (1997 to 1999)

	Department/ Agency	1997		1998		1999	
		Number	Value ($)	Number	Value ($)	Number	Value ($)
1	ACOA	2	$50,000	3	$100,000	4	$125,000
2	AECB	3	$20,000	4	$30,000	5	$35,000
3	AGR	-	1%	10% (97)	2%	10% (98)	3%
4	CH	100	$1,000,000	102	$1,020,000	105	$1,050,600
5	CIC	12	$210,000	12	$214,200	12	$220,626
6	CCMD	10	$45,000	20	$90,000	30	$135,000
7	CHRC	-	$8,804	-	$8,980	-	$9,180
8	CSA	15	$50,000	25	$85,000	25	$105,000
9	CSC	268	$7,706,046	331	$7,921,030	441	$8,353,955
10	CSIS	-	$10,000	-	-	-	-
11	DFO	10% (96)	-	10% (97)	10% (97)	10% (98)	10% (98)
12	DIAND	707	$5,856,970	821	$6,883,425	943	$8,080,675
13	DOJ	-	-	-	-	-	-
14	DND	1%	$10,000,000	10% (97)	11000000	10% (98)	12100000
15	El Can*	-	-	-	-	-	-
16	ENV	0.5%	0.5%	1%	1%	1.5%	-
17	FA	65	$257,501	130	$515,003	195	$772,505
18	FIN	1%	$80,000	2%	$165,000	2%	$250,000
19	HC	129	$7,350,000	155	$7,485,000	180	$7,620,000
20	HRDC	615	$570,000	820	$760,000	1025	$950,000
21	IRB	10	$50,000	25	$100,000	40	$150,000
22	IC	146	$1,359,182	292	$2,718,364	438	$4,077,546
23	NSERC	1%	1%	2%	2%	2%	2%
24	NRCan	40	$720,000	80	$1,450,000	-	$2,155,000
25	NEB	7	$25,000	14	$50,000	21	$75,000
26	NAC/NLC	1%	-	1% (97)	1% (97)	1% (98)	1% (98)
27	OSFI	1%	$40,000	2%	$80,000	3%	$120,000
28	OAG	10	$25,000	20	$27,500	30	$30,000
29	PCO	5	$125,000	10	$235,000	15	$300,000
30	PSC	12	$45,000	-	-	-	-
31	PWGSC	300	$3,800,000	625	$7,600,000	950	$11,400,000
32	RC	100	$750,000	120	$790,000	140	$830,000
32	RCMP	100	$1,500,000	-	-	-	-
34	SOLGEN	4	$50,000	4	$50,000	4	$50,000
35	SC	1%	$510,000	2%	$1,020,000	3%	$1,530,000
36	TSB	2	$25,000	2	$25,000	2	$25,000
37	TC	-	$288,000	-	-	-	-
38	TBS	1%	$48,000	2%	$97,000	2%	$145,000
39	WED	1%	-	-		-	-
Total per year		2662	$42,574,503	3615	$50,520,502	4605	$60,695,087
Total # contracts (3 years)							10883
Total value (3 years)							$153,790,092

Source: Performance Objectives reports submitted to DIAND in 1997. Information is as of November 1997 and will change as departments provide DIAND with updated status reports.

Note: (*) Elections Canada is not bound by TBS contracting policy and established no baseline.
In some cases departments have identified a percentage above the previous year (identified in brackets).
We entered departmental/agency contract values only in cases where they were reported. In many cases, departments either did not identify a figure or reported a percentage amount instead. In cases where a range was reported, we entered the lower value.

Several points flow from Table 5.

- Departments reported that they will commit at least $153M of contracts to Aboriginal businesses over 3 years.

- Departments also estimate that they will enter into over 10,000 contracts with Aboriginal businesses over this same period.

To date, departments reported percentage and number targets

- There is variation in performance objectives reporting. Some departments identified actual numbers while others provide a percentage target. Some departments provided no figures in their initial performance objectives agreements. We expect that the precision of that performance data will increase over the next year.

Percentage targets are based on contracting values or total expenditures on procurement

- Many departments identified a percentage based on the current value of contracts; others noted a percentage based on total expenditures on goods and services. It is unclear if the latter includes low dollar value purchases (e.g., acquisition cards) which, if included, would represent a greater amount. These differences suggest there could be potential inconsistencies on how targets are reported and may need to be rectified. Another problem is under-reporting due to factors such as the amount of potential leakage from non-reporting, the refusal of Aboriginal firms to be identified as such (program officials report there are many), and tier II (subcontracts) contracting.

- Departments also committed to undertake supplier development activities identified in Table 6.

Table 6: Aboriginal supplier development activities most reported by departments in performance objectives agreements	
Aboriginal supplier development activities	**n=39**
Recognize and include Aboriginal suppliers in existing activities	29
Educate departmental personnel about the PSAB	25
Department/agency does not carry out formal supplier development	5
Identify Aboriginal suppliers or investigate available capacity	5
Review performance objectives	5
Establish statistics on Aboriginal participation in contracting activities	3
Develop material directed at potential Aboriginal suppliers	3
Investigate supplier capacity in particular regions	3
Source: Departmental performance objectives agreements, 1997. Information is as of November 1997 and will change as departments provide DIAND with updated status reports.	

- Most departments are committed to recognizing and including Aboriginal suppliers in existing activities and to educate departmental personnel about the Strategy.

- Table 7 provides details about departments' commitment to supplier inventory activities.

Table 7: Aboriginal supplier inventory activities identified by departments in performance objectives agreements	
Aboriginal supplier inventory activities	**n=39**
Use the DIAND website	32
Review and update departmental / regional inventories	18
Develop a list of Aboriginal suppliers	12
Track contracting activities / amend contracting documentation to identify Aboriginal firms	10
Increase the number of Aboriginal firms on departmental supplier inventories	8
Identify Aboriginal firms in a supplier database or reconcile with DIAND database	7
Source: Departmental performance objectives agreements, 1997. Information is as of November 1997 and will change as departments provide DIAND with status reports.	

- Most departments indicate that they will rely on DIAND's website for a supplier inventory. Many also stated that they were committed to developing a list of Aboriginal suppliers and reviewing it in subsequent years.

Most Aboriginal respondents reported that they were unaware of potential opportunities and partners to work with. There was one exception, one Aboriginal business surveyed identified many contracts and subcontracts. This firm had paid a fee through Government Electronic Tendering System (i.e., OBS/MERX) and was able to be "matched" with other firms in their industry. Aboriginal business and community leaders believe this assistance is instrumental for Aboriginal firms to promote themselves and to successfully obtain potential opportunities. While Government Electronic Tendering System (i.e., OBS/MERX) is accessible to all firms many Aboriginal businesses may not be aware of it or subscribe to its services. Similarly, Contracts Canada provides general seminars and workshops on contracting with the federal government that would be useful.

DIAND has funded bid matching pilot projects and planned to develop a "how to..." guide to assist suppliers in assessing opportunities through the electronic bidding system and to help third parties provide value added services to Aboriginal firms.

In October 1997, the first meeting with performance objectives coordinators was held. Departmental status reports were due early in 1998 and are compiled and reported by PWGSC and Treasury Board Secretariat.

- Government users of procurement surveyed were generally favourable about the Strategy's implementation.

We surveyed 35 federal government users of procurement from across various departments to obtain a better understanding of their views on the Strategy's implementation after its first year. Respondents reported...

- 69% had received information regarding the PSAB from internal departmental sources. Others received information from Treasury Board Contracting Policy Notices (37%). Training/orientation sessions were considered to be primary sources of information by 31% of respondents.

- 49% stated that they had not received any training/orientation about Aboriginal procurement. Conversely, 46% had received such training.

- About two-thirds of respondents believed that contracting officials are knowledgeable or very knowledgeable about the objectives of the Strategy.

- 60% indicated that the eligibility requirements of the Strategy were clearly stated. 29% felt that they were unsure, or needed more information.

- The majority of respondents felt that contracting officials within their department/agency had favourable attitudes towards Aboriginal businesses and the Strategy.

Profile of four sample departments

We examined four departments (PWGSC, HC, DFO, and DND) involved with the PSAB to obtain a better understanding of how they initially implemented the Strategy (e.g., communication, training, monitoring systems). We conducted key informant interviews and file reviews. We also contacted TBS and DIAND, the leaders implementing the Strategy, who were actively involved in assisting departments and agencies.

This section provides an overview of the findings from departmental cases studied. A brief profile of each department can be found in Appendix B "A Review of Procurement Related Data and Systems in Selected Departments" (separate document). A profile of DIAND and TBS is also included in Appendix B.

We identified some common trends among departments.

All departments have distributed information about the PSAB

- All respondents indicated their departments have implemented activities to support the PSAB, such as:
  - presentations to senior management;
  - the distribution of letters communicating information about the PSAB to managers; and
  - the development of policy and procedures for contracting officers.

- Most government users of procurement services had previously worked with Aboriginal businesses.

- All departments have worked with DIAND to communicate their activities, seek out advice, and attend training seminars held by the Market Access Directorate (previously the Aboriginal Procurement and Economic Development Directorate).

- Three departments reported initial challenges with PWGSC. They stated that at the beginning of the process many contracting officers were unaware of the Strategy. Respondents stated that this slowed down the process as there was uncertainty about how to use set-asides. PWGSC respondents confirmed the difficulties but stated they have since been rectified. As more contracting officers become aware of the Strategy, implementation should accelerate.

We also identified some variation in PSAB activities and implementation.

Training varies across departments

- Differences exist in the provision of training for regional managers and contracting officers. DIAND was the lead department undertaking training and workshops, such as the session with departmental performance coordinators held in Cornwall in October 1997. Departments have expanded upon these efforts.

- Fisheries and Oceans provided training and planned to revamp current courses with ideas from the "train the trainers" workshops offered by DIAND in Cornwall. Public Works and Government Services had also started to train contracting officers. During our interviews, National Defense and Health Canada indicated that they believed no training was required at present as contracting officials' jobs did not change because of PSAB. However, both departments committed to re-evaluating training needs and activities in the future.

Communication varies across departments

- Communication of the PSAB also varied among departments. DFO and PWGSC sent letters to senior and regional managers who communicated the initiative to staff. Health Canada communicated PSAB information to all staff via e-mail. Consequently, some respondents in that department were concerned that in a large decentralized organization this approach did not diffuse knowledge of the Strategy among RCMs and contracting officers. Respondents suggested that workshops or seminars are the most effective form of communication.

Departments use systems and manual methods to track PSAB contract activity

- Tracking PSAB results and performance objectives targets varies in departments. PWGSC has the most advanced systems for tracking set-asides, vendor information, and some evaluative information on contracts. DFO collects information on Aboriginal suppliers and contract activity using its financial information system. Presently HC and DND manually track set-asides and incidental contract information by requesting regions or bases to send information to the performance objectives coordinators. Health Canada had plans for electronic tracking of Aboriginal suppliers but these are on hold due to a system's reorganization.

Departments use different databases to track contract information

- Departments are using several systems to track contracting activity, such as

  - ABACUS (DFO)
  - Government Electronic Tendering System (i.e., MERX/OBS)
  - Vendor Information Management (VIM) System (PWGSC).

  In addition, DIAND uses its financial system to track contracts and the Aboriginal Supplier Inventory to identify Aboriginal businesses. TBS uses "Datacap" to capture departmental contracting activity. "Datacap" is an electronic data entry system that is used to capture the procurement activity of selected departments and agencies.[4]

[4] "Datacap" Version 2 User Manual, 1998

Examples of Aboriginal procurement

Through file reviews and interviews, we identified several set-asides as examples of Aboriginal procurement. Some were large projects reviewed by the PRC and involved a subcontracting component. Other examples included standing offer agreements.

- At the time of the study (October 1997), Health Canada was in the process of tendering a contract estimated to be worth $60M to process Non-Insured Health Benefits claims. It was expected that a significant portion would go to an Aboriginal business.

- Fisheries and Oceans plans to commission 16 coast guard vessels and an Aboriginal subcontracting plan will be part of the tendering requirements.

- Public Works and Government Services Canada has established five Aboriginal national master standing offers worth $25M.

- DND will purchase Light Utility Vehicles Wheeled (LUVW) under a contract worth $80M. The negotiated Aboriginal component is estimated to be over $2M.

- DIAND used the set-aside process to establish a supply arrangement for Aboriginal suppliers providing evaluation and review services. This is the first standing offer to include evaluation services. In addition, Aboriginal firms will offer travel services to DIAND ($8M per year).

Monitoring of activity is incomplete but improving

As mentioned earlier, federal contracting is decentralized to ensure that the many responsibility centre managers throughout Canada have the flexibility and delegated authority to purchase goods and services in a timely and efficient manner. However, this management approach complicates the monitoring of a broad business development initiative such as the PSAB.

Departments track contracting activity using individual and specialized financial management systems designed to ensure that value for money is obtained for the Canadian taxpayer. Information on the value and number of contracts is submitted to TBS and PWGSC. These systems offer the information needed to control procurement within a Department, but not the broader social and economic data to evaluate the PSAB. For example, community economic impact data is not collected by any department. It is completely reasonable that Department managers we interviewed are concerned that the information needs of the evaluation be reasonable and within their capacity to manage.

It is clearly not feasible to re-engineer the contract monitoring processes of the federal government. At the same time, the Strategy needs to be evaluated. Therefore, any information demands of the PSAB evaluation must be focused and cost-effective. The Evaluation Framework and the Socio-economic Impact Model Discussion Paper identify the minimal information needs for the evaluation and show how these data may be collected.

Aside from data, respondents also identified several other challenges to overcome to better monitor PSAB results[5].

Tracking Aboriginal goods and services acquired on acquisition cards is a challenge

- There has been an increase in credit acquisitions in the past several years. Acquisition cards are used for low dollar value purchases. The Auditor General's October 1997 report states that there were 615,000 transactions worth $172M (for purchases up to $5,000). If the delegation increases to $25,000 this amount may go as high as $2B. Currently, no method exits to identify whether goods and services were acquired from Aboriginal suppliers. Discussions are underway with the new contractors of government acquisition cards to explore the technical feasibility of identifying Aboriginal suppliers in monthly and on-line statements.

Contracting processes are purposely decentralized

- Information on contracting activity is maintained in a decentralized fashion to allow departments flexibility. For example, there is a difference between data gathering on contracts and tendering opportunities. PWGSC and TBS track the number and value of contracts awarded by departments. The Government Electronic Tendering System (i.e., OBS/MERX) takes

[5]Many of these issues and others are also cited in a TBS discussion paper.

into account tendering opportunities published by all federal departments in excess of the agreement on internal trade thresholds. However, the majority of opportunities under $25,000 are not listed in the Government Electronic Tendering System (i.e., OBS/MERX).

Variations in reporting could pose a challenge

- Variation exists in data entry and the type of information collected. For example, at the time of our study, while departments reported on similar activities used to attain their performance objectives targets, they provided their information in various forms (e.g., number and value of contracts, estimated percentage of value and number of contracts). These differences make performance measurement more challenging in terms of accurate reporting and comparisons.

TBS and PWGSC plan to collect information on set-asides and incidental contracting

- For contracts below $25,000, Datacap currently collects summary data, but no details on how many are set-asides or incidental contracts (regular contracts awarded to Aboriginal business) which are hard to track. Often this is done manually in most departments.

  TBS has issued instructions in Contracting Policy Notice 1998-1 and 1998-1A to collect additional information from departments on PSAB as shown in Table 8.

Table 8: TBS information to be collected government-wide to report on Aboriginal procurement

1) Set-aside program for Aboriginal businesses valued at $25K and above
   - number and value of goods contracts
   - number and value of services contracts
   - number and value of construction contracts

2) Incidental contracts with Aboriginal businesses valued at $25K and above
   - number and value of goods contracts
   - number and value of services contracts
   - number and value of construction contracts

3) Information on total contracts valued at $25K (1+2)
   - number and value of goods contracts
   - number and value of services contracts
   - number and value of construction contracts

4) Total contracts awarded to Aboriginal businesses (1+2+3, and contracts below $25K)

PWGSC and departments both collect contract information

- Variation exists in the information being collected by department and agencies. The bulk of contracting for goods and construction over $25,000 is done through PWGSC. Most of the data on contracts (number and value) will be captured by PWGSC, but a significant amount remains up to individual departments.

Self-identification by Aboriginal businesses is important to avoid under reporting

- DIAND officials have noted that a number of Aboriginal firms currently competing successfully for incidental contracts have stated that they are not interested in being identified as Aboriginal businesses. Tracking will depend on Aboriginal business self-identification so it is likely that there will be under reporting on contracting with these firms.

DIAND needs to augment its supplier inventory to better assist departments and users of procurement identify Aboriginal businesses

- At the time of the study (October 1997), few supplier lists were maintained and the ASI was limited in terms of being a comprehensive database that provides information about where Aboriginal businesses are located, their size, what they do and services offered. The Vendor Information Management (VIM) system at PWGSC does this to some degree and is beginning to identify Aboriginal firms. Respondents believe DIAND needs to augment its existing database so that departmental users of procurement can more easily identify potential Aboriginal businesses to either "match up" with other firms or encourage them independently to compete for opportunities. Many departments indicated in their performance objectives agreements that they would rely on DIAND for supplier inventory development. Non-Aboriginal businesses also noted the need for a comprehensive directory of Aboriginal services.

Section 4 - Performance Measurement

Summary

- Information currently collected measures the number and value of set-aside contracts awarded to Aboriginal businesses.
- Departmental performance objectives agreements reports to DIAND can be used to assess whether performance objectives targets have been achieved and progress on an annual basis.
- However, existing information will not measure socioeconomic impacts. Although the future evaluation will provide information on selected direct impacts (e.g., through case studies of a sample of contracts), ongoing performance measurement data would provide more meaningful information which could be used on a continual basis to support the implementation of the Strategy.

This section outlines a performance measurement framework for collecting ongoing results data and evaluation information.

Performance measurement is a useful tool

In the case of the PSAB, performance measurement is helpful in collecting two types of information:

- ongoing results data to help managers assess the effectiveness of activities to allow them to make modifications to achieve desired outcomes; and
- impacts on Aboriginal businesses and communities, and whether the PSAB has attained performance objectives.

Both government and Aboriginal respondents agreed that this information will be important to assess the Strategy in the year 2001.

Information collected to date focuses on measuring contracting activity

We surveyed 40 PSAB performance objectives coordinators working in contracting and materiel management about what information departments were collecting to measure PSAB impacts and how this was done. Appendix C provides more details.

- Table 9 identifies what information respondents report departments are collecting. Most respondents indicate that information on contracting activities (number and value of contracts) is collected but few seek information on job creation resulting from Aboriginal procurement.

Table 9: Information collected by departments (n=40)

Information areas	Yes	No	Do not know	No response
Number of contracts awarded to Aboriginal businesses	37	3	0	0
Value of contracts awarded to Aboriginal businesses	37	3	0	0
Amount expended on Aboriginal goods	26	13	0	1
Amount expended on Aboriginal services	29	11	0	0
Number of competitive processes set-aside for Aboriginal businesses	30	9	0	1
Client satisfaction with products/services provided by Aboriginal businesses	6	11	1	22
Number of Aboriginal firms competing for contracts	8	30	1	1
Jobs created by Aboriginal businesses contracting with your department	2	31	7	0

- Respondents also reported on other aspects of results monitoring
  - 67% stated their department does not track subcontracts
  - 55% reported their department does not track purchases from Aboriginal firms made through government acquisition cards
  - 55% indicated their department has not developed baseline data to measure PSAB results.

Interest in evaluation is enthusiastic and diverse

Aboriginal stakeholder groups want to measure the attainment of performance targets

- Both government and Aboriginal stakeholder groups are interested in rationale and relevance issues. Government stakeholders are interested in these issues so that they can show program results and that they are accountable for public funds.

- Aboriginal respondents want to examine whether federal departments and agencies have met their targets in terms of letting contracts to Aboriginal firms. If not, diagnosis of both the mechanisms and the implementation of the Strategy is needed. Further, if these targets have been met, have they resulted in the growth of viable firms and is there evidence of the longer term community benefits?

Determining the size of the federal market accessed by Aboriginal businesses helps assess whether Strategy objectives were met

- All respondents believe it is important to have a good understanding of the actual size of the total federal market accessed by Aboriginal businesses so as to be able to assess the significance of federal procurement to these firms. Respondents stated that it is important for the evaluation to determine what product lines and services Aboriginal businesses provide and whether they coincide with the needs of federal government users of procurement.

Reporting and accountability issues are a concern

The issue of accountability addresses concerns about whether efforts were made to ensure reliable and consistent reporting on Strategy activities. The issue is of particular importance to government stakeholder groups which must respond to central agencies and Parliament on how funds for contracts were spent. Respondents we interviewed raised two issues of importance - small purchases and the authenticity of firms identified as Aboriginal.

Under-reporting is a challenge

- Although a difficult task, respondents told us that monitoring all contracts, especially low dollar value purchases (through acquisition cards) as well as subcontracts, should be a priority. They believe significant under-reporting may result in the Strategy's benefits if reporting challenges are not met. Furthermore, respondents also noted that departments need to ensure consistent reporting to ensure the validity and reliability of the results reported.

Respondents believe it is important to ensure Aboriginal businesses are the ones benefiting from the PSAB

- Respondents believe it will be important for the evaluation to assess that bona-fide Aboriginal businesses benefit from the Strategy. Several key informants were concerned about the problem of whether "front" companies may arise to take advantage of the set-aside process. The original program designers anticipated this problem and instituted measures such as certifications and random audits. Respondents believe it will important to determine the extent to which this problem exists and to identify any other potential loopholes (e.g., scenario where a set-aside goes to a 51% owned Aboriginal firm that subcontracts all the work to a non-Aboriginal business). A successful Strategy will result in new firms being created. Everything hinges on the rigorous application of the definition of an Aboriginal firm. Respondents believe this question can be answered by examining the results of audits of certifications.

The proposed approach uses existing information and one time data collection at the time of the evaluation

We propose an approach that builds upon existing contracting information and data to assess socioeconomic impacts resulting from the Strategy to be collected at the time of the evaluation. Section 5 of the Evaluation Framework (separate document) accompanying this status report provides more details. Table 10 outlines the basic data to collect.

Table 10: Proposed data collection for the future evaluation of the Procurement Strategy for Aboriginal Business			
Components to review	**Data elements**	**When data collected**	
		ongoing	**evaluation**
Contracting activities	• number of set-asides posted and awarded • value of set-asides • number of incidental contracts • value of incidental contracts	✔ ✔ ✔ ✔	
Complementary measures, Aboriginal supplier inventory, and development activities	• number of suppliers registered • number of suppliers providing goods and services to government • types of goods and services supplied • number of trade shows • amount of promotional material distributed • number of training and workshop seminars	✔ ✔ ✔ ✔ ✔	 ✔
Aboriginal Business Capacity Development	• activities that Aboriginal businesses are undertaking to position themselves to gain better access to federal and other markets		✔
Partnership activities	• number of partnerships formed • number of joint ventures • impact of subcontracting opportunities		✔ ✔ ✔
Socioeconomic impacts	• direct impacts (e.g., enhanced capacity of firms through skills transfer) • indirect impacts (e.g., increase in sustainable employment) • pursuit of other market opportunities	✱ ✱	✔ ✔
Note: (✱)These data elements are recommended, in addition to those proposed above.			

DIAND and TBS will take the lead in coordinating information gathering for the future evaluation while departments, PWGSC, and TBS will continue ongoing data collection on contracting activity.

At present, no data on socioeconomic impacts is being collected. This data should be collected as it will provide a comprehensive picture of the Strategy's effectiveness. While the evaluation will collect some information on the immediate results of the PSAB (e.g., increase in contracts and their value), on ongoing performance indicators would prove beneficial. Various options for doing this are presented in the supporting appendices to this report, such as Appendix D "Socio-economic Impact Assessment Framework".

However, some of these options, such as comprehensive databases and tracking systems are seen to be costly by many departments and would require extensive coordination and time to develop. In light of these factors, the working group supports an approach that builds on existing systems and ensures that the evaluation process remains as simple as possible.

This concept is practical, but it will mean that basic data will be limited and the indirect impacts (e.g., jobs created) of the Strategy will not be measurable. To address this issue we have proposed that at the very least, a sample of contract files (n=200) are reviewed (case studies) from across federal departments with contracting more than $1 million. This sample will not provide any statistical relevance but it will offer an overview of selected impacts on individual Aboriginal businesses and where they are located (e.g., urban centre, on-reserve, off-reserve).

Section 5 - Perceived Impacts of PSAB

Summary

- Departmental officials report that PSAB has been incorporated into their procurement practices and increased the number and value of contracts awarded to Aboriginal businesses.
- Of a random sample of Aboriginal businesses surveyed, one quarter had been awarded contracts with the federal government in the first year of PSAB. 13% of the sample noted that PSAB had positive impacts on their businesses in the first year, 3% noted negative impacts, 55% noted no impacts, and 28% were not sure/did not respond.
- Potential adverse impacts on non-Aboriginal businesses should be monitored.

This section provides an overview of the findings.

- Departmental officials report that PSAB has been incorporated into their procurement practices and increased the number and value of contracts awarded to Aboriginal businesses

Interviews and questionnaires completed by federal procurement officials indicate that PSAB has been integrated into their operations. Most departments have: reviewed their procurement and contracting policies to address PSAB, developed communication materials on Aboriginal procurement, trained contract officers, given orientation sessions, and developed monitoring systems. Data systems have been set up to capture the number and value of contracts awarded and the number of set-aside contracts. Most obtain information about suppliers from DIAND's Aboriginal Supplier Inventory and from supplier fairs. Some departments have developed their own supplier inventories.

At the time of the survey (autumn 1997), 80% of departmental PSAB coordinators considered that contracting officials are familiar with the Aboriginal set-aside program and changes to federal procurement policy. Three quarters of PSAB coordinators believe that contracting officials in their departments are favorable or very favorable to promoting Aboriginal businesses and to using Aboriginal set-asides.

As a result of government efforts to market PSAB, most (62%) of the random sample of Aboriginal businesses participating in this study reported having received information on PSAB. Some Aboriginal business leaders interviewed for this study reported receiving substantial assistance, such as being given opportunities to meet with key personnel in purchasing positions in the federal government. Most businesses and Aboriginal community leaders felt that more communication about PSAB will be required.

Of 75 government procurement officials responding to the survey, 53% indicated that PSAB had a positive impact on the number of purchases made from Aboriginal businesses in the first year of implementation. 32% indicated that it had not yet had an impact and 15% did not know or did not answer.

Survey results indicate that the vast majority of purchases from Aboriginal businesses are on a voluntary basis, often as a normal sourcing strategy but also to attain departmental Aboriginal procurement performance objectives. Of the sample of procurement officers who had used the Aboriginal set aside mechanism, only two set-asides were mandatory (i.e., because the goods and services are for use by communities having more than 80% Aboriginal residents). 94% of procurement officers who had used set-asides indicated that they would use Aboriginal businesses again to meet their purchasing needs and 6% did not know.

Of government procurement officials having an opinion on the subject in the survey (n=48), 65% rated Aboriginal businesses as doing a good job at providing government with the best value for goods and services whereas 35% felt that Aboriginal businesses need to improve in this area. Ratings were higher in terms of the quality and timeliness of goods and services provided by Aboriginal business.

- Of a random sample of Aboriginal businesses surveyed, one quarter had been awarded contracts with the federal government in the first year of PSAB. 13% of the sample noted that PSAB had positive impacts on their businesses in the first year, 3% noted negative impacts, 55% noted no impacts, and 28% were not sure/did not respond.

In autumn 1997, a survey was completed by 39 Aboriginal businesses randomly selected from DIAND's Aboriginal Supplier Inventory. One quarter of these firms had been awarded a total of 50 contracts with the federal government in the previous year. Two firms had performed subcontract work for non-Aboriginal businesses supplying to the federal market. Aboriginal business respondents estimated that as a result of these contracts and subcontracts, five full time jobs had been created, increasing their full time staff from 31 to 36 employees.

The majority of business representatives interviewed for this study believe that PSAB will lead to more opportunities for Aboriginal businesses. Interviews with five First Nation leaders showed that while some communities are well positioned to benefit from government contract opportunities, many communities have an underdeveloped business sector and lack the capacity to effectively market to the federal government.

13% of the survey sample of Aboriginal businesses noted that PSAB had positive impacts on their businesses in the first year, 3% noted negative impacts, 55% noted no impacts, and 28% were not sure/did not respond. Positive impacts were in the areas of marketing to government, competing for government contracts, increasing contacts in departments, and increasing sales to government. 4 of the 39 respondents indicated that PSAB had met or nearly met their expectations for increasing the number of contracts awarded to Aboriginal business, whereas 18 reported that PSAB was below their expectations in increasing the number of contract awards.

Of government procurement officials having an opinion on the subject in the survey (n=52), 54% rated Aboriginal businesses as providing a competitive price compared to non-Aboriginal business whereas 46% felt that Aboriginal businesses need to improve in this area.

- Potential adverse impacts on non-Aboriginal businesses should be monitored

Five non-Aboriginal business representatives interviewed for this study reported that they had been involved in partnerships with Aboriginal firms for several years and that these ventures were mutually beneficial. There was concern expressed that while PSAB may provide opportunities for Aboriginal business, it may impede competition and create divisions between Aboriginal and non-Aboriginal businesses. The importance of training and skills transfer to Aboriginal businesses was emphasized as a critical factor for developing Aboriginal business capacity. Most felt that rather than creating preferences, it is more important to remove barriers for small and Aboriginal business. Activities towards these ends are being pursued by PSAB and are highlighted in Section 6, 'Lessons Learned', in this report.

From the perspective of 59 federal contracting officials giving their opinion in the survey, 78% felt that PSAB had a positive impact or no impact on the level of competition among firms, fairness to non-Aboriginal business, and the price of goods and services. Conversely, 22% of contracting officials noted some negative impact on competition, fairness to non-Aboriginal business and the price of goods and services.

An example of non-Aboriginal business being displaced by Aboriginal business was provided by the small airline industry. Since the industry serves the more than 80% Aboriginal communities in the north of a province, set-aside contracts were instituted by Health Canada and other departments as required by PSAB in most cases. The industry commissioned a report which found that $20M of revenues may be affected. Respondents reported this has closed operations in one community and decreased revenues for two other companies. Impacts on non-Aboriginal businesses should be monitored to understand any displacement effects that may occur as a result of PSAB.

Section 6 - Lessons Learned and Suggested Improvements

Summary

- Training and communication for departmental RCMs and contracting officers are important for effective implementation of the Strategy.
- Understanding that the PSAB is comprised of many components is important to communicate to departments so that they can use the most effective tool.
- Aboriginal businesses would benefit from assistance such as bid preparation, bid matching, and technology services. Aboriginal respondents believe these activities would permit their businesses to become more proactive in pursuing opportunities. Activities towards these ends are currently being pursued by DIAND, such as the development of a training package on how to prepare proposals and promote the utilization of existing federal training resources from PWGSC.

This section provides an overview of lessons learned about the PSAB and some ideas for suggested improvements.

Lessons learned

While the Strategy has been underway for only 18 months at the time of data collection, we have nevertheless identified several lessons learned worth noting.

Effective communication and training with RCMs and contracting officers is key for successful implementation

- Respondents believe it is important to communicate more directly with RCMs and contracting officers. Respondents noted that workshops, training, and orientation sessions are more effective than e-mail or mailed communication material, especially in large decentralized departments or agencies. Several respondents commented on the success of the Cornwall "train the trainers" sessions held in October 1997. This type of communication and training appears to be effective and encourages RCMs to involve Aboriginal suppliers in their project.

There was some debate from users of procurement and non-Aboriginal business respondents about whether Aboriginal suppliers should be used when goods or services are not targeted to an Aboriginal population. In this case, understanding of set-asides and alternative tools for brokering partnerships between Aboriginal and non-Aboriginal businesses is essential to avoid misconceptions and unintended impacts.

Tools such as bid matching, technology, and bid preparation services are effective in assisting Aboriginal suppliers to access potential contracting opportunities

- Aboriginal community and business leaders respondents indicated that Aboriginal firms are generally unaware of opportunities, how to access them, and how to prepare proposals. Therefore, bid matching and preparation assistance is most important to make the most of potential opportunities. Access to technology and the electronic tendering system are also important.

  Users of procurement also noted that it is hard to discover Aboriginal suppliers and their capabilities. Having a comprehensive database with Aboriginal suppliers is important. Key informants also indicated that bid matching projects in some regions have been another effective tool for identifying Aboriginal suppliers.

Subcontracting is an effective way to provide Aboriginal suppliers with access to contracting opportunities not otherwise obtainable

- For contracts above the thresholds of NAFTA, WTO and AIT, it is not permitted that a contractor be required to sub-contract work to Aboriginal or other firms. Nevertheless, subcontracting is an important component to assist Aboriginal suppliers to access important contracts awarded. This is especially true for larger projects that require the review of the Procurement Review Committee and can have significant regional industrial benefits too. Users of government procurement also stated that they prefer matching a mentor firm with a developing Aboriginal firm in cases where large specialized technical projects are involved and few Aboriginal firms are currently working in that area.

Set-asides are one of many tools to help meet departmental targets

- Set-asides are effective in many cases but departmental personnel have to be aware of when it is best to use them. There were a few unintended impacts noted in the small airline industry and the office supplies business that might have been avoidable. In such cases, departmental representatives brokering traditional partnerships may have been just as effective in terms of providing Aboriginal firms an opportunity to access contracts and satisfying departmental performance targets. Other tools include promotional activities and supplier development activities which encourage Aboriginal suppliers to compete and win contracts through the regular competitive process.

PSAB is also most effective when Aboriginal firms take the initiative and pursue federal clients and opportunities

- Respondents believe the PSAB works best when Aboriginal firms are active in marketing themselves and their services to government and identifying opportunities where they can provide assistance. While this may be true, Aboriginal business and community leaders point out that many Aboriginal firms are not in the position to undertake these activities.

Suggestions for improvements

Respondents identified several suggestions for improvements to the Strategy.

- The ASI should be enhanced and include more information about Aboriginal suppliers and what type of services they provide.

- Aboriginal respondents interviewed face the following challenges:

  - lack of awareness of contracting opportunities;
  - difficulties in obtaining bid and contract performance security;
  - lack of capacity in putting together a proposal or bid; and
  - lack of marketing skills.

Addressing these is instrumental to the success of the PSAB.

- Improvements suggested by Aboriginal businesses include the following:

  - suggest enhanced information on the PSAB and contracting procedures targeted to Aboriginal businesses;
  - suggest more education for government contracting officials on socio-economic benefits emanating from increased Aboriginal business development;
  - suggest that measures be implemented (mandatory and voluntary set-asides) to increase contracts available to Aboriginal firms;
  - suggest follow-up of performance targets;
  - suggest government should communicate potential contracting opportunities as early as possible; and
  - suggest streamlined procurement processes.

Section 7 - Conclusions

Summary

- Departments have begun implementing the Strategy and annual status reports on performance objectives should be available starting in early 1998.
- Increased communication about the Strategy to RCMs and Aboriginal businesses should ensure anticipated impacts are realized in the next few years.
- The next step is to review the evaluation framework prepared as part of this study, to develop a strategic direction for collecting economic impact data, and to plan next steps and data collection activities required for the evaluation in the year 2001.

This section outlines some of our main conclusions.

Implementation is now full force underway

Government-wide general awareness of the PSAB exists

The PSAB was launched in April 1996, since then policy has been communicated to departments which in most cases have signed performance objectives agreements. Departments have communicated basic information about the PSAB to staff and contracting officers. Training and information sessions within and outside of government are more prevalent in some departments than others, but activities appear to be on the increase.

Some factors help ensure successful implementation of the PSAB

The PRC has provided some opportunity to Aboriginal businesses

During the initial implementation of the Strategy, the PRC has become an important vehicle for promoting Aboriginal procurement. We found several examples of large projects with a subcontracting component for Aboriginal businesses across Canada. These opportunities were possible because Aboriginal firms were able to articulate an interest and pursue existing opportunities. In addition, DIANDs advocacy function has also been a major contributor in assisting departments to proceed with set-asides for standing offers, subcontracting plans and other associated activities.

Supplier development needs to be enhanced

Aboriginal stakeholders identified limited information about the PSAB and contracting procedures as a barrier to wide implementation. Many respondents believe supplier development will be the key to overcoming this barrier. Aboriginal respondents believe bid preparation support services are also needed.

> **Recommendation #1:**
> We recommend that DIAND and PWGSC continue to assist departments to recognize the importance of supplier development activities and enhance the availability of tools through the Strategy (e.g., set-asides, identifying firms to partner, encourage mentoring, workshops and seminars on federal procurement).

This will ensure that Aboriginal firms unfamiliar with contracting opportunities obtain the necessary information, the help of potential partners and assistance with writing effective proposals that will bring in work.

Economic impact data is important for measuring Strategy results

To date few impacts resulting from PSAB have been observed

At this stage, departments are beginning to undertake activities to meet their performance objectives. Therefore, it is not surprising that most Aboriginal respondents stated that at this time they had experienced few impacts as a result of the PSAB. Government respondents also stated that there were minimal impacts on departmental practices.

There are many obstacles to reporting on the PSAB

In terms of reporting on the results of the PSAB, most respondents identified a number of difficulties to completing this task. Presently, data collection is fragmented with various systems collecting different pieces of information. In many cases, departments will most likely request information directly from RCMs and manually estimate their targets.

Under-reporting is also a potential problem as a significant amount of data will also be missing as there is minimal information on subcontracts, acquisition cards, and call-ups under standing offers and supply arrangement.

At this point no department is collecting data on contracts to support the estimation of economic impacts (indirect impacts resulting from the PSAB) on individual Aboriginal businesses and where they are located (e.g., urban center, on-reserve, off-reserve).

Recommendation #2:
DIAND should enhance the supplier inventory database to provide more information on Aboriginal businesses and the goods and services they provide. This will more easily identify potential firms for non-Aboriginal businesses and departmental users to partner with.

Recommendation #3:
DIAND and TBS, the lead departments responsible for the evaluation, should ensure ongoing performance indicators (e.g., number of training sessions, suppliers registered, trade shows) are collected in a systematic, efficient, and relatively uniform manner, especially information reported on departmental performance objectives targets.

The next step is to review the evaluation framework and identify the best approach to collect required data

An evaluation framework will help define reporting activities

The evaluation framework accompanying this report identifies performance indicators and potential methodologies which may be considered to collect this data.

The intent of the evaluation framework is to:

- help government define the scope of reporting so it can better respond to Ministers on the Strategy's success;
- facilitate data collection by avoiding burden on departments and focusing on critical data elements; and
- expedite the process of establishing a useful baseline against which to measure future progress.

Recommendation #4:
We recommend that an interdepartmental working group oversee the implementation of the evaluation framework.

The evaluation framework report also outlines in detail proposed activities to prepare for the future evaluation study.

Terms of Reference

Terms of Reference
Aboriginal Procurement Strategy
Evaluation Framework

Background: The primary objective of the Procurement Strategy for Aboriginal Business is to stimulate Aboriginal business development. Increasing the number of Aboriginal firms competing for and winning federal contracts is to provide a cost-effective means to create jobs and is anticipated to have a positive impact on reducing social expenditures in Aboriginal communities.

The program consists of three primary activities: a) the development of performance guidelines for increasing the total value of procurements to be awarded to Aboriginal suppliers; b) the creation and implementation of a set-aside Program for Aboriginal business; and, c) the development of a package of complementary measures to facilitate access by Aboriginal business to federal procurement opportunities. These measures include: support for a national Aboriginal business database, orientation for contracting officials, Aboriginal supplier information campaign, contracting policy review, bidding support, and advocacy and marketing support.

The government has adopted a phased approach to implementing the Strategy. Phase I, involving the implementation of the set-aside program, was implemented as of April 1, 1996. Phase II involving the development of performance objectives is to take effect on January 1, 1997. The implementation of the Strategy is anticipated to cost $6.35 million over the next five years (1995-1996 to 1999-2000).

All departments and agencies are to be involved in implementing the Strategy. In addition, specific tasks are directed at identified departments as part of its development and implementation. For example, Treasury Board Secretariat is to initiate the necessary policy changes, as well as review administrative obstacles to Aboriginal business. Public Works and Government Services Canada (PWGSC) is to assist in setting up set-aside program procedures and related NAFTA set-aside tracking requirements. The Department of Indian Affairs and Northern Development (DIAND) is to work with departments and agencies to establish appropriate individual department multi-year performance objectives. Coordination of these activities is dealt with through the Treasury Board's Interdepartmental Advisory Committee.

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Need: A program evaluation is to be undertaken by Treasury Board and DIAND by March 31, 2001, to assess the effectiveness of the Strategy in enhancing Aboriginal business access to and success in federal government contracting.

The development of an evaluation framework at this time will provide departments with a valuable resource to direct the measurement of the performance and impacts of the Strategy. In addition, it will provide a means for a cost-effective, standardized approach to the collection of appropriate data for the evaluation.

Scope: The evaluation framework is to provide a plan for the conduct of an evaluation of the Strategy, as well as a performance measurement framework to monitor its ongoing performance. The framework will focus on impacts on both the government and Aboriginal communities. The framework will also provide the status of implementation to date.

The subjects/elements to be addressed in the framework include:

- What are the Strategy's objectives, rationale, targets, implementation processes and intended impacts?
- What performance measurement indicators and suggested data collection activities should be used to assess the ongoing performance of the Strategy?
- What is the status of implementation activities to date?
- What issues should the evaluation address and what methods should be employed to address them (e.g., communications/marketing, barriers to implementation, attitudes/awareness of officials, eligibility, quality of supplier database, cost-effectiveness, potential alternative delivery mechanisms, etc.)?
- What should the evaluation process entail and how should it be conducted?

Approach: The development of the evaluation framework will be directed by a Senior Evaluation Manager of the Departmental Audit and Evaluation Branch (DAEB) of DIAND, in consultation with the Treasury Board Review Secretariat. An advisory committee will oversee progress on the development of the framework, and will consist of representatives of DIAND's Contracting and Materiel Management Division, DIAND's, Access to Federal Procurement Directorate, representatives of Treasury Board Secretariat's Review and Contracting Management Groups, and three other key departments (Department of Fisheries and Oceans, Public Works and Government Services Canada and the Department of National Defence).

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In addition, two Aboriginal organizations (Saskatoon Tribal Council and the Southern First Nations Secretariat Tribal Council) are to participate on the advisory committee, which will be chaired by a DAEB representative of DIAND.

The work will be undertaken both in house and through the use of Aboriginal consultants wherever possible. The development of the framework will involve: a literature review of previous evaluations of similar initiatives, and the findings of the Royal Commission on Aboriginal Peoples; a review of program documentation and data collection systems; interviews with key government and Aboriginal stakeholders, and a macro-economic impact assessment model which provides options for measuring the macro impacts of the Strategy on factors such as employment and reduced social expenditure dependency.

In order to verify the performance indicators and suggested evaluation approach, consultative workshops will held with First Nation representatives and Aboriginal firms, and the Treasury Board Inter-departmental Advisory Committee on Contracting.

Time frame and Resources: A draft framework is to be tabled by May 1997. The evaluation framework will cost an estimated $35K - $40K.

Approved:

Gordon Shanks Assistant Deputy Minister Policy and Strategic Direction Department of Indian Affairs and Northern Development	R.J. Neville Assistant Secretary and Assistant Comptroller General Financial and Contract Management Sector Treasury Board Secretariat of Canada

Action Plan

AUDIT AND EVALUATION / VÉRIFICATION INTERNE ET ÉVALUATION

REQUEST FOR ACTION PLAN / DEMANDE DE PLAN D'ACTION

PROJECT / PROJET :96-24

PROJECT TITLE / TITRE DU PROJET : **Procurement Strategy For Aboriginal Business Evaluation Framework and Implementation Status Report / Rapport d'étape sur le cadre d'évaluation et la mise en oeuvre de la Stratégie d'approvisionnement auprès des entreprises autochtones**

REGION OR SECTOR / RÉGION OU SECTEUR : **Socio-Economic Policy, Programming and Program Re-Degisn / Politiques et programmes socio-économiques et Restructuration des programmes**

(1) RECOMMENDATIONS / RECOMMANDATIONS	(2) REPORT / RAPPORT PAGE NO.	(3) ACTION PLAN / PLAN D'ACTION (If space provided is insufficient please continue on blank sheet. / Si vous manquez d'espace, veuillez continuer sur une page blanche.)	(4) RESPONSIBLE MANAGER / GESTIONNAIRE RESPONSABLE (TITLE / TITRE)	(5) PLANNED COMPLETION DATE / DATE PRÉVUE DE MISE EN OEUVRE
1. DIAND and PWGSC continue to assist departments to recognize the importance of supplier development activities and enhance the availability of tools through the Strategy (e.g., set-asides, identifying firms to partner, encourage mentoring, workshops and seminars on federal procurement).	44	DIAND and PWGSC will continue to conduct seminars for departments and suppliers, and encourage Aboriginal business trade shows. Training packages for Responsibility Centre Managers and related information tools will continue to be made available to assist departmental managers and procurement officials, along with supplier development tools targeted at Aboriginal businesses.	Market Access Directorate, SEPPPR	Ongoing Additional supplier tools to be prepared by: September, 2000
2. DIAND enhance the supplier inventory database to provide more information on Aboriginal businesses and the goods and services they provide. This will more easily identify potential firms for non-Aboriginal businesses and departmental users to partner with.	45	DIAND has engaged an Aboriginal contractor to conduct ongoing enhancements to the Aboriginal Supplier Inventory, including data checks, and the provision of an accurate listing of goods/services provided for the firms on the inventory. Telephone service through a 1-800 number is also provided under this contract.	Market Access Directorate, SEPPPR	Ongoing Current contract extends to: March, 2000
3. DIAND and TBS, the lead departments responsible for the evaluation should ensure ongoing performance indicators (e.g., number of training sessions, suppliers registered, trade shows) are collected in a systmatic, efficient and relatively uniform manner, especially information reported on departmental performance objectives targets.	45	DIAND will continue to work with departmental Performance Objectives Coordinators to ensure that performance indicator requirements are captured, as required by TBS policy, on a calendar-year basis. DIAND and PWGSC will maintain information on set-aside opportunities, suppliers listed on the Aboriginal Supplier Inventory, and trade shows, to support the future evaluation.	Market Access Directorate, SEPPPR	Ongoing Performance information is collected annually in second quarter of the calendar year
4. An interdepartmental working group oversee implementation of the evaluation framework.	45	DAEB will continue to communicate with DIAND, TBS, intergovernmental contacts and Aboriginal partners and will establish a working group for the evaluation.	DAEB, DIAND and RPSD, TBS	January, 2000

Appendix 1

List of frequently used acronyms in the study

List of frequently used acronyms in the study

Procurement and contracting terminology

ACAN	Advanced Contract Award Notice
AIT	Agreement on Internal Trade
ASI	Aboriginal Supplier Inventory database
CLCA	Comprehensive Land Claims Agreements
CPN	Contracting policy notices
GETS	Government Electronic Tendering System
MERX	Canada's on-line tendering system operated by CEBR Inc.
NAFTA	North American Free Trade Agreement
OBS	Open Bidding System
PSAB	Procurement Strategy for Aboriginal Business
RCMs	Responsibility centre managers
TBACC	Treasury Board Advisory Committee on Contracting
WTO-AGP	World Trade Organization Agreement on Government Procurement

Departments, agencies, and organizations

ACOA	Atlantic Canada Opportunities Agency
AECB	Atomic Energy Board of Canada
AGR	Agriculture and Agrifood Canada
CAC	Consulting and Audit Canada
CCMD	Canadian Centre for Management Development
CH	Canadian Heritage
CHRC	Canadian Human Rights Commission
CIC	Canadian Immigration Commission
CIDA	Canadian International Development Agency
CSA	Canadian Space Agency
CSC	Correctional Services of Canada
CSIS	Canadian Security Intelligence Service
DFO	Department of Fisheries and Oceans
DIAND	Department of Indian Affairs and Northern Development
DND	Department of National Defence
DOJ	Department of Justice
DVA	Department of Veterans Affairs
El Can	Elections Canada
ENV	Environment Canada
FA	Foreign Affairs
FIN	Finance Canada
FORD-Q	Federal Office of Regional Development - Quebec
HC	Health Canada
HRDC	Human Resources Development Canada
IC	Industry Canada
IRB	Immigration Refugee Board
NEB	National Energy Board
NRCan	Natural Resources Canada
NSERC	National Science and Engineering Research Council
OAG/AG	Office of the Auditor General of Canada
OSFI	Office of Superintendent of Financial Institutions
PCO	Privy Council Office
PRC	Procurement Review Committee
PSC	Public Service Commission

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	PWGSC	Public Works and Government Services Canada
	RC	Revenue Canada
	RCMP	Royal Canadian Mounted Police
	SC	Statistics Canada
	SOLGEN	Solicitor General of Canada
	TBS	Treasury Board Secretariat
	TSB	Transportation Safety Board
	WED	Western Economic Diversification
Other terminology	Datacap	Electronic data entry system used to capture procurement activity
	HQ	Headquarters
	NCR	National Capital Region
	SIC	Standard Industrial Code
	VIMS	Vendor Information Management System